



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

October 24, 2011

Certified Return Receipt
7009 3410 0001 4203 2444

Bruce H. Evans
Nephi Sandstone Corporation
P.O. Box 137
Nephi, Utah 84648-0137

Subject: Division Directive, Soma Quarry, Nephi Sandstone Corporation, S/023/0065, Juab County, Utah

Dear Mr. Evans:

You have previously been informed by the Division of Oil, Gas and Mining (Division) that the reclamation surety for the referenced mine site is inadequate. Until adequate surety is posted and accepted, **no mining operations of any kind are allowed**, including blasting, crushing, screening, or stockpile removal. Reclamation activities are allowed and, in fact, encouraged.

On July 8, 2010, the Division was notified by Liberty Mutual Insurance Company through Moreton and Company that surety bond _____ would be canceled effective 90 days from receipt of the notice or October 6, 2010. The Division notified Liberty Mutual that they would be considered fully liable for all reclamation obligations incurred prior to the date of termination. The Division may make demand on Liberty Mutual to either reclaim the mine site or pay the full amount of the bond if Nephi Sandstone fails to fulfill its obligations.

The Division has received two cash payments totaling \$10,000.00 toward the required reclamation surety amount of \$24,600.00 or \$25,200.00. Failure to provide the full amount of surety may yet result in enforcement action being taken by the Division which may include withdrawal of your permit and forfeiture of the surety and cash bonds.



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If you have questions or concerns regarding this letter, please contact me at 801-538-5261 or Wayne Western at 801-538-5263. Thank you for your help in completing this very important regulatory requirement.

Sincerely,

A handwritten signature in black ink, appearing to read "P. B. Baker", written in a cursive style.

Paul B. Baker
Minerals Program Manager

PBB:whw:pb

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